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LeFleur's Bluff Tower  
4780 I-55 North, Suite 500  
Jackson, Mississippi 39211  
Telephone: (601) 364-7000

August 26, 1992

Donna R. Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

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AUG 27 1992

Re: CC Docket No. 92-77

Federal Communications Commission  
Office of the Secretary

Dear Ms. Searcy:

Please find enclosed for filing in the above-referenced docket an original and thirteen copies of the Reply Comments of Advanced Telecommunications Corporation and LDDS Communications, Inc.

Sincerely,

LDDS COMMUNICATIONS, INC.

*Catherine R. Sloan*  
Catherine R. Sloan  
Vice President, Federal Affairs

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enclosures

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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

AUG 27 1992

Federal Communications Commission  
Office of the Secretary

MAIL BRANCH

In the Matter of )  
 )  
Billed Party Preference ) CC Docket No. 92-77  
for 0+ InterLATA Calls )

**REPLY COMMENTS OF ADVANCED TELECOMMUNICATIONS  
CORPORATION AND LDDS COMMUNICATIONS, INC.**

Advanced Telecommunications Corporation ("ATC") and LDDS Communications, Inc. ("LDDS"), by their undersigned counsel, hereby submit these reply comments concerning the Commission's proposal to discard "0+" interLATA presubscription in favor of a system of "Billed Party Preference."

In their initial comments, ATC and LDDS explained how Billed Party Preference is a flawed concept which will not address the underlying causes of today's imperfect competition for operator-assisted services. The joint commenters described how Billed Party Preference would prevent even large regional IXCs from continuing to participate in the "0+" interexchange business, and would only benefit certain local exchange carriers. Finally, ATC and LDDS explained how the nationwide regulatory structure created pursuant to the Telephone Operator Consumer Services Improvement Act and the FCC's operator services rulemakings would better address the concerns which underlie the Billed Party Preference solution.

The initial comments filed by other parties confirm that Billed Party Preference is a poorly conceived idea that will harm

consumers and competition substantially.<sup>1</sup> Initial comments also confirm that most of the early support for Billed Party Preference has evaporated. Several of the Bell Operating Companies whose support would be essential for Billed Party Preference implementation state that Billed Party Preference is not in the public interest.<sup>2</sup> The overwhelming weight of the initial comments proves that Billed Party Preference should be discarded and this docket should be closed.

**I. BILLED PARTY PREFERENCE IS TOO EXPENSIVE TO BE WORTHWHILE**

Even the LEC proponents of Billed Party Preference concede that the costs for development and implementation would be quite high. Initial comments from the BOCs, GTE and other independents suggest that implementation could cost nearly \$2 billion, plus an additional \$150 million per year in ongoing costs. These massive expenditures could add 30 to 75 cents to the cost of each "0+" call. Thus, Billed Party Preference would fail in one of its essential purposes - reducing the prices of interexchange operator-assisted services.

**II. BILLED PARTY PREFERENCE IS TECHNICALLY UNWORKABLE AND INCONSISTENT WITH EXISTING COMMISSION POLICIES**

Despite the Commission's clear directions in the initial Notice,<sup>3</sup> the supporters of Billed Party Preference have not

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<sup>1</sup>See Comments of Intellicall at 25.

<sup>2</sup>E.g., BellSouth Comments at 19; NYNEX Comments at ii.

<sup>3</sup>FCC 92-169 (Released May 8, 1992), ¶ 25.

offered solid documentation or technical plans. The few parties which support implementation continue to paint their proposals with broad strokes, and offer only "soft" cost estimates. Moreover, the BOCs seem to disagree on whether the proposal will require that certain callers speak to two different operators in order to complete a call.<sup>4</sup> In addition, even with OSS7 capability, access times and operator work time will increase. According to BellSouth, any time savings realized through the elimination of access code dialing would be offset by the additional time required in a BPP environment to identify the PIC, provide customer instruction and transfer the caller to the PIC.<sup>5</sup> Billed Party Preference would have other unfortunate technical consequences. For example, the plan would foreclose the use of direct trunks connecting large aggregators directly to IXC points of presence.<sup>6</sup>

The proposal also is at odds with important Commission policies developed over the past fifteen years. The joint commenters agree with Intellicall's statement that requiring Billed Party Preference implementation under the guise of ending "customer confusion" would be an abrupt and total departure from the Commission's policies which encourage a transition from a monopoly to a competitive environment.<sup>7</sup> ATC and LDDS also

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<sup>4</sup>E.g., BellSouth Comments at 14.

<sup>5</sup>Id. at 15.

<sup>6</sup>Cleartel Communications, Inc., et al Comments at p. 13.

<sup>7</sup>See Intellicall Comments at 3.

support NYCOM's assessment that the Billed Party Preference proposal is inconsistent with the Commission's Open Network Architecture and Comparably Efficient Interconnection policies, which encourage the development of distributed intelligence outside the network.<sup>8</sup>

In any event, Billed Party Preference could not be implemented before 1996. By that time, surely the Commission's recently adopted operator services rules will have eliminated virtually all of the consumer confusion which led to the Billed Party Preference proposal.

**III. BILLED PARTY PREFERENCE WILL DESTROY THE  
CONSISTENT ROUTING OF "0+" CALLS**

All other technical issues aside, Billed Party Preference cannot work because of one jurisdictional problem which the Commission did not address in the initial Notice. Various parties have described how Billed Party Preference would not and could not affect intrastate interLATA calls because such calls could not be the subject of any Commission prescribed interexchange routing plan.<sup>9</sup> Interestingly, only a handful of states have supported Billed Party Preference, and none of these states have stated any clear intent to require a similar plan for intrastate calls subject to their jurisdiction. Additionally, even if Billed Party Preference affected all interLATA calls, the

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<sup>8</sup>NYCOM Comments at 20.

<sup>9</sup>Cleartel Comments at 13; APC Comments at 20; One Call Comments at 8; Intellicall Comments at 11; See BellSouth Comments at 16.

LEC proponents still do not intend to use Billed Party Preference to route intraLATA calls.<sup>10</sup> Such inconsistency would replace today's uniform "0+" routing plan with an indecipherable mess.

Even if the states endorsed Billed Party Preference and required it for intrastate calls, regional IXCs would be required to seek nationwide intrastate certification to handle the handful of intrastate calls they might expect outside their primary service areas.<sup>11</sup>

**IV. BILLED PARTY PREFERENCE WILL RESTORE A THREE FIRM OLIGOPOLY FOR OPERATOR SERVICES**

In their initial comments, ATC and LDDS described how they could not participate in the Commission's routing plan unless they issued renumbered calling cards to each of their customers. Other carriers seem to agree that the need to reissue calling cards in the CIID or 891 format would pose a significant barrier to entry for interexchange calling card issuers.<sup>12</sup> In addition, IXCs which do not possess a calling card customer base or nationwide Feature Group D origination capability would have to develop both of these items to participate in the plan.<sup>13</sup>

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<sup>10</sup>See Allnet Comments at 1,4.

<sup>11</sup>RCI Comments at 4.

<sup>12</sup>E.g., US Long Distance Comments at 11.

<sup>13</sup>See Cleartel Comments at 20-21; RCI Comments at 4; NYCOM Comments at 9.

V. CONCLUSION

Everything that could (or should) be said about Billed Party Preference is now in the record. Ample justification exists for the Commission to reject Billed Party Preference and to focus attention on the far more important issues affecting the "0+" marketplace. These issues include problems related to AT&T's CIID calling cards, and the refusal of hundreds of local exchange carriers to provide monopoly billing and collection services for "0+" calls. Therefore, ATC and LDDS urge the Commission to not implement Billed Party Preference.

Respectfully submitted,

ADVANCED TELECOMMUNICATIONS CORPORATION

By: 

Douglas F. Brent  
Associate Counsel  
10000 Shelbyville Road  
Louisville, Kentucky 40223  
(502) 244-7490

LDDS COMMUNICATIONS, INC.

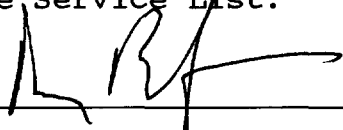
By: 

Catherine R. Sloan  
Vice President, Federal Affairs  
1825 I Street, NW  
Suite 400  
Washington, DC 20006  
(202) 429-2035

Date: August 26, 1992

**CERTIFICATE OF SERVICE**

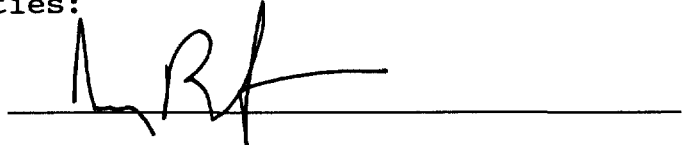
I hereby certify that copies of the foregoing COMMENTS OF  
ADVANCED TELECOMMUNICATIONS CORPORATION AND LDDS COMMUNICATIONS,  
INC. were sent via first-class mail on this the 26th day of August,  
1992, to the parties listed on the Service List.

  
\_\_\_\_\_  
Douglas F. Brent



**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing COMMENTS OF  
ADVANCED TELECOMMUNICATIONS CORPORATION AND LDDS COMMUNICATIONS,  
INC. were sent via first-class mail on this the 26th day of August,  
1992, to the below listed parties:

  
Douglas F. Brent

Cheryl Tritt, Chief  
Common Carrier Bureau  
Federal Communications  
Commission  
1919 M Street, NW  
Room 500  
Washington, DC 20554

Gregory J. Vogt, Chief  
Tariff Division  
Federal Communications  
Commission  
1919 M Street, NW  
Room 518  
Washington, DC 20554

James D. Schlichting, Chief  
Policy and Program Planning  
Division  
Federal Communications  
Commission  
1919 M Street, NW  
Room 544  
Washington, DC 20554

Colleen Boothby, Deputy Chief  
Tariff Division  
Federal Communications  
Commission  
1919 M Street, NW  
Room 518  
Washington, DC 20554

Ruth Milkman, Deputy Chief  
Policy and Program Planning  
Division  
Federal Communications  
Commission  
1919 M. Street, NW  
Room 544  
Washington, DC 20554

Judy Nitsche, Chief  
Tariff Review Branch  
Federal Communications  
Commission  
1919 M Street, NW  
Room 518  
Washington, DC 20554

Gary Phillips  
Policy and Program Planning  
Division  
Federal Communications  
Commission  
1919 M Street, NW  
Room 544  
Washington, DC 20554

Downtown Copy Center  
Federal Communications  
Commission  
1919 M Street, NW  
Room 246  
Washington, DC 20554

Gerald K. Olson  
Cheyenne Airport  
P.O. Box 2210  
200 E. 8th Avenue  
Cheyenne, WY 82003-2210

Louis Miller  
Salt Lake City Airport  
Authority  
AMF Box 22084  
Salt Lake City, UT 84122

C.M. Armour, President  
Southwest Georgia Regional  
Airport  
3905 Newton Road  
Albany, GA 31707

Eddie F. Storer  
Natrona County International  
Airport  
8500 Fuller Street  
Casper, SY 82604-1697

Patricia A. Simmons  
Montana State University  
Office of Systems & Computing  
Bozeman, MT 59717-0324

James B. Dransfield  
Director, Telecommunications  
Duke University  
Durham, NC 27706

Linda M. Zaina  
General Counsel  
OPATSCO  
2000 K Street, NW, Suite 205  
Washington, DC 20006

Brian J. Kinsella  
American Hotel & Motel  
Association  
1201 New York Avenue, NW  
Washington, DC 20005-3931

Darrell S. Townsley  
Special Assistant  
Attorney General  
Illinois Commerce Commission  
180 North LaSalle Street, #810  
Chicago, IL 60601

Benjamin Griffin  
Reed, Smith, Shaw & McClay  
1200 18th Street, NW  
Washington, DC 20036

Perry R. Eichor, Secretary  
S.C. Jail Administrators Assn.  
P.O. Box 10171  
Greenville, SC 29603

Ronald G. Choura  
Telecommunications Section  
Policy Division  
Michigan Public Service  
Commission  
P.O. Box 30221  
Lansing, MI 48909-7721

Thomas P. Engel  
Director of Airports  
county of Sacramento  
6900 Airport Boulevard  
Sacramento, CA 95837

John F. Dodd  
Smith, Gill, Fisher & Butts  
One Kansas City Place  
1200 Main Street, 35th Street  
Kansas City, MO 64105-2152

G.A. Barron, Jr.  
President/General Manager  
Portland 76 Auto/Truck Plaza  
21856 Bents Road, NE, I-5, Exit  
278  
Auroro, OR 97002

George A. Christenberry  
Deputy Commissioner  
State of Georgia  
Dept. of Administrative Svcs.  
Telecommunications Div.  
200 Piedmont Ave., #1402  
Atlanta, GA 30334-5540

Paul C. Besozzi  
Besozzi & Gavin  
1901 L Street, NW  
Suite 200  
Washington, DC 20036

Josephine S. Trubeck  
Rochester Tel Center  
180 South Clinton Avenue  
Rochester, NY 14646-0700

Pamela J. Brandon  
Division Administrator  
Wisconsin Department of  
Corrections  
149 East Wilson Street  
P.O. Box 7925  
Madison, WI 53707

Vernell Sturns  
Executive Director  
Dallas/Fort Worth Int'l Airport  
East Airfield Drive  
P.O. Drawer DFW  
Dallas/Ft Worth Airport, TX  
75261

Robert N. Broadbent  
Director  
Clark County, Dept. of Aviation  
McCarren International Airport  
P.O. Box 11005  
Las Vegas, NV 89111

John W. Priest  
Chairman & CEO  
Teltronics, Inc.  
2150 Whitfield Industrial Way  
Sarasota, FL 34243-4046

Debra L. Lagapa  
Morrison & Foerster  
2000 Pennsylvania Ave., NW  
Suite 5500  
Washington, DC 20006

Veronica M. Ahern  
Nixon, Hargrave, Devans & Doyle  
One Thomas Circle, NW  
Suite 800  
Washington, DC 20005

Rochelle D. Jones  
Director, Regulatory  
Southern New England Telephone  
227 Church Street, 4th Floor  
New Haven, CT 06510

James D. Heflinger  
Vice President, General Counsel  
LiTel Communications  
Corporation  
4650 Lakehurst Court  
Dublin, OH 43017

Stanley F. Bates  
Assistant Director  
Arizona Dept. of Corrections  
1601 W. Jefferson Street  
Phoenix, AZ 85007-3003

O. Lane McCotter  
Utah Dept. of Corrections  
6100 South 300 East  
Murray, UT 84107

Richard G. Kiekbusch  
American Jail Association  
100 Day Road, suite 100  
Hagerstown, MD 21740

Mark J. Angell  
Universal Technology and  
Communications Corporation  
10940 Laureate Drive  
Suite 8300  
San Antonio, TX 78249-3343

Rick L. Anthony  
Quest Communications  
Corporation  
6600 College Boulevard, Suite  
205  
Overland Park, KS 66211

Randolph J. May  
David A. Gross  
Sutherland, Asbill & Brennan  
1275 Pennsylvania Avenue, NW  
Washington, DC 20004-2404

Joseph W. Miller  
Wiltel, Inc.  
One Williams Center, Suite 3600  
P.O. Box 2400  
Tulsa, OK 74102

Richard L. Goldberg  
Martin A. Mattes  
Graham & James  
One Maritime Plaza, Suite 300  
San Francisco, CA 94111

Margo Smiley Humphrey  
Koteen & Naftalin  
1150 Connecticut Avenue, NW  
Washington, DC 20036  
Taylor F. Harper  
House of Representatives  
District No. 108 Mobile County  
Alabama State House  
Montgomery, AL 36100

Mary J. Sisak  
Donald J. Elardo  
MCI Telecommunications Corp.  
1801 Pennsylvania Ave., NW  
Washington, DC 20006

Ellyn Elise Crutcher  
Consolidated Companies  
121 S. 17th Street  
Mattoon, IL 61938

Judith St. Ledger-Roty  
Michael R. Wack  
Reed, Smith, Shaw & McClay  
1200 18th Street, NW  
Washington, DC 20036

Perry O. Hooper, Jr.  
House of Representatives  
District No. 78  
Montgomery County  
Alabama State House  
Montgomery, AL 36100

Patricia A. Weye  
W.L. Gore & Assoc.  
1501 Barksdale Road  
P.O. Box 6236  
Newark, DE 19714-6336

Keith J. Roland  
Roland, Fogel, Koblenz & Carr  
One Columbia Place  
Albany, NY 12207

Jerry L. McMichael  
Executive Vice President  
Memphis-Shelby International  
Airport  
P.O. Box 30168

Krys T. Bart  
Assistant Director  
City of Fresno  
2401 N. Ashley Way  
Fresno, CA 93727

Randall B. Lowe  
Jones, Day, Reavis & Pogue  
Metropolitan Square  
1450 G. Street, NW  
Washington, DC 20005-2088

Brad Mutschelknaus  
Wiley, Rein & Fielding  
1776 K Street, NW  
Washington, DC 20006

Douglas N. Owens  
Northwest Pay Phone Association  
4705 16th Street, NW  
Seattle, WA 98105

Gail L. Polivy  
GTE Service Corp.  
1850 M Street, NW  
Suite 1200  
Washington, DC 20036

Lawrence E. Sarjeant  
Randall S. Coleman  
US West Communications, Inc.  
1020 19th Street, NW  
Suite 700  
Washington, DC 20036

James P. Tuthill  
Nancy C. Woolf  
Pacific Bell/Nevada Bell  
140 New Montgomery Street  
Room 1523  
San Francisco, CA 94105

James L. Wurtz  
Pacific Bell/Nevada Bell  
1275 Pennsylvania Avenue, NW  
Washington, DC 20004

Amy S. Gross  
General Counsel  
NYCOM  
2701 Summer Street, Suite 200  
Stamford, CT 06905-4390

James R. Monk, Chairman  
Indiana Utility Regulatory  
Commission  
302 W. Washington Street  
Suite E306  
Indianapolis, IN 46204

Cheryl L. Parrino, Chairman  
Public Service Commission  
of Wisconsin  
4802 Sheboygan Avenue  
P.O. Box 7854  
Madison, WI 53707

Darrell S. Townsley  
Special Assistant  
Attorney General  
Illinois Commerce Commission  
180 North LaSalle Street  
Suite 810  
Chicago, IL 60601

James B. Gainer, Section Chief  
Ann E. Henkener  
Assistant Attorney General  
Public Utilities Section  
180 East Broad Street  
Columbus, OH 43266

Roy L. Morris  
Deputy General Counsel  
Allnet Communication Services  
1990 M Street, NW  
Suite 500  
Washington, DC 20036

Alan W. Saltzman  
Zero Plus Dialing, Inc.  
9311 San Pedro, Suite 300  
San Antonio, TX 78216

Richard E. Wiley  
Danny E. Adams  
Steven A. Augustino  
Wiley, Rein & Fielding  
1776 K Street, NW  
Washington, DC 20006

Genevieve Morelli  
Competitive Telecommunications  
Assn.  
1140 Connecticut Avenue, NW  
Washington, DC 20036

William B. Barfield  
Richard M. Sbaratta  
1155 Peachtree Street, NE  
Suite 1800  
Atlanta, GA 30367-6000

Francine J. Berry  
Mark C. Rosenblum  
AT&T  
295 North Maple Avenue  
Room 3244J1  
Basking Ridge, NJ 07920

Mitchell F. Brecher  
Dow, Lohnes & Albertson  
1255 Twenty-Third Street  
Washington, DC 20037-1194

Greg Casey  
Jane A. Fisher  
International Telecharge, Inc.  
6707 Democracy Boulevard  
Bethesda, MD 20817

David Cosson  
National Telephone Cooperative  
Assn.  
2626 Pennsylvania Avenue, NW  
Washington, DC 20037

John M. Goodman  
Bell Atlantic Telephone  
Companies  
1710 H Street, NW  
Washington, DC 20006

Floyd S. Keene  
Michael S. Pabian  
Room 4H76  
2000 W. Ameritech Center Drive  
Hoffman Estates, IL 60196-1025

Leon M. Kestenbaum  
H. Richard Juhnke  
Sprint Communications Co.  
1850 M Street, NW  
11th Floor  
Washington, DC 20036

Jean L. Kiddoo  
Ann P. Morton  
Swidler & Berlin  
3000 K Street, NW  
Suite 300  
Washington, DC 20007

Patrick A. Lee  
William J. Balcerski  
120 Bloomingdale Road  
White Plains, NY 10605

John A. Ligon  
Comptel Computer Corporation  
128 Mount Hebron Avenue  
P.O. Box 880  
Upper Montclair, NJ 07043

W. Audie Long  
U.S. Long Distance, Inc.  
9311 San Pedro, Suite 300  
San Antonio, TX 78216

Glenn B. Manishin  
Blumenfeld & Cohen  
1615 M Street, NW  
Suite 700  
Washington, DC 20036

Martin T. McCue  
Linda Kent  
United States Telephone Assn.  
900 - 19th Street, NW  
Suite 800  
Washington, DC 20006-2105

Larry Moreland  
President  
SDN Users Association, Inc.  
c/o Caterpillar, Inc.  
600 W. Washington Street  
AD341  
East Peoria, IL 61630

Ellen M. Averett  
Assistant Counsel  
Pennsylvania Public Utilities  
Comm.  
P.O. Box 3265  
G-28, North Office Building  
Harrisburg, PA 17105-3265

W. Dewey Clower  
G. Timothy Leighton  
National Association of  
Truck Stop Operators  
1199 North Fairfax Street, #801  
Alexandria, VA 22314

Stephan G. Kraskin  
2120 L Street, NW  
Suite 300  
Washington, DC 20037

Alan J. Thiemann  
Taylor, Theimann & Aitken  
908 King Street, Suite 300  
Alexandria, VA 22314

Eileen A. Huggard  
Assistant Commissioner  
New York City Dept. of  
Telecommunications & Energy  
75 Park Place, 6th Floor  
New York, NY 10007

Charles P. Miller  
General Counsel  
Value-Added Communications,  
Inc.  
1901 S. Meyers Road, Suite 530  
Oakbrook Terrace, IL 60181